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January 4, 2008

Hon. Edmund G. Brown Jr.
Attorney General
1300 I Street, 17th Floor
Sacramento, California 95814

Attention: Ms. Krystal Paris
Initiative Coordinator

Dear Attorney General Brown:

Pursuant to Elections Code 9005, we have reviewed the proposed initiative, the "Quality Teacher Recruitment and Retention Initiative" (A.G. File No. 07-0087).

Background

Employees of school districts in the state are generally categorized as either "certificated" or "classified." Certificated employees refer to those school or district employees who must receive state certification. These include teachers, administrators, and pupil services staff (such as counselors, nurses, and librarians). In 2006-07, of the 358,000 certificated employees in California school districts, about 85 percent were teachers, 8 percent administrators, and 7 percent pupil services personnel. Classified staff includes instructional aides, clerical workers, custodians, and cafeteria workers—none of which require state certification to perform their job duties.

The salaries and benefits for certificated employees are set at the local level. Specifically, teachers are typically paid on a locally negotiated salary schedule that is based on years of experience and educational attainment. At the highest step, the average annual teacher salary offered by school districts in 2005-06 in California was $71,000. However, in a few districts, teacher salaries topped out at over $100,000. Salaries for administrators vary depending on the specific position as well as the size of the school district but tend to be significantly higher than that of teachers. School site principals in California earned an average annual salary of $96,000 in 2005-06, whereas district superintendents earned an average of $133,000.

Proposal

This measure requires that all certificated school personnel be paid on the same salary schedule according to their years of experience, level of education, and number of days worked per year. In addition, the measure prohibits any employee of a public school district in the state to receive a salary higher than that of the district's highest paid classroom teacher.

Fiscal Effect

The measure likely would have no significant net fiscal effect. Most likely, school districts would use the funds that previously went to administrator salaries to provide administrators with nonsalary compensation, such as improved health benefits, supplemental retirement contributions, bonuses, or housing allowances. If this were to occur, resources would be a redistributed but total spending would not increase.

Districts, however, could theoretically respond to the measure in a variety of other ways—some of which could create pressure to increase overall spending. For example, districts could increase the top teacher salaries to match current administrator salaries. This could create some pressure to provide additional state funds for top teacher salaries—either from new monies or monies redirected from existing programs.

Summary

This measure would have the following major fiscal effects:

- No direct fiscal effect on overall K-12 education spending.
- Redistribution of resources at the local level in response to a cap on administrator salaries.

Sincerely,

Elizabeth G. Hill
Legislative Analyst

Michael C. Genest
Director of Finance